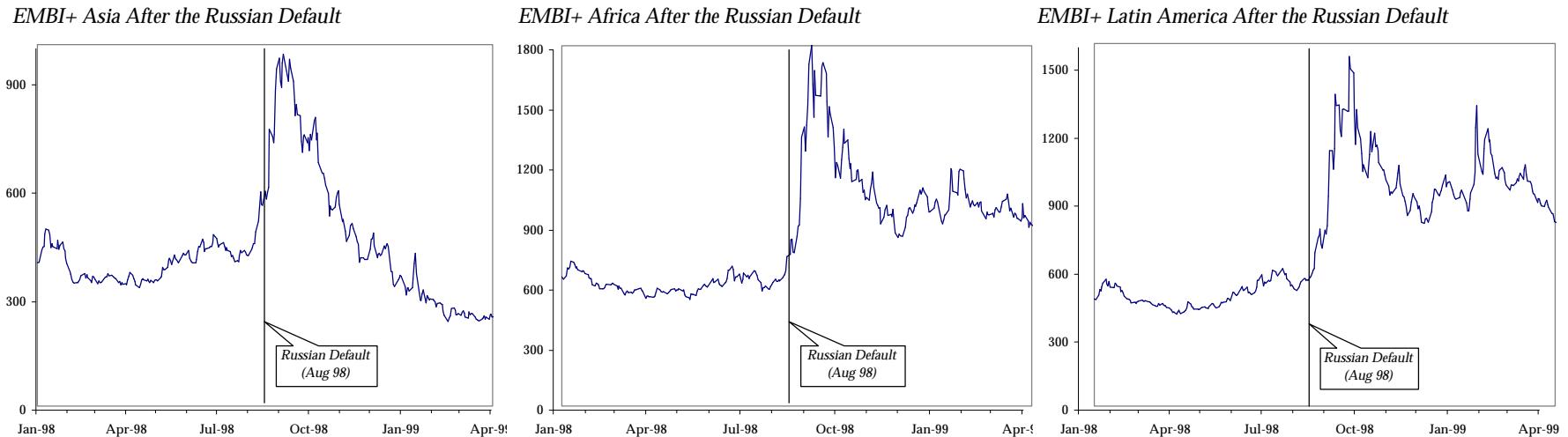


Figure 1. Sovereign Risk Spreads After the Russian and Argentine Defaults (Regional EMBI+ Indices)

Russia's default in 1998 hit emerging market countries around the world.



By contrast, Argentina's default did not trigger a rise in risk spreads elsewhere.

